

Den Internationale Sundhedsfond

**c/o Harbour House, Sundkrogsgade 21, DK-
2100 Copenhagen**

CVR no. 26 11 93 75

Annual report for 2016

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Statement by management on the annual report

The Board of Directors has today discussed and approved the annual report of Den Internationale Sundhedsfond for the financial year 1 January - 31 December 2016.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2016 and of the results of the company's operations for the financial year 1 January - 31 December 2016.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved at the annual general meeting.

Copenhagen, 31 May 2017

Board of Directors

Jacob Smed

Niels Christian Wedell-
Wedellsborg

Per Adam Christiansen

Independent auditor's report

To the shareholder of Den Internationale Sundhedsfond

Opinion

We have audited the financial statements of Den Internationale Sundhedsfond for the financial year 1 January - 31 December 2016, which comprise income statement, balance sheet, notes and summary of significant accounting policies. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 december 2016 and of the results of the company's operations for the financial year 1 January - 31 December 2016 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements

Independent auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on management's review

Management is responsible for management's review.

Our opinion on the financial statements does not cover management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Independent auditor's report

Moreover, it is our responsibility to consider whether management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of management's review.

Søborg, 31 May 2017

Beierholm
Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Flemming Bernth
State Authorised Public Accountant

Company details

The company

Den Internationale Sundhedsfond
c/o Harbour House
Sundkrogsgade 21
DK-2100 Copenhagen

CVR no.: 26 11 93 75
Reporting period: 1 January - 31 December
Domicile: Copenhagen

Board of Directors

Jacob Smed
Niels Christian Wedell-Wedellsborg
Per Adam Christiansen

Subsidiaries

OK Team International ApS

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab
Knud Højgaards Vej 9
DK-2860 Søborg

Management's review

Business activities

The principal activities of the Foundation are to support organizations, companies or individuals, who are responsible for or participate in work involving research within the field of medical nutritional science. Support can be granted to Danish as well as foreign receivers.

Business review

The Company's income statement for the year ended 31 December shows a loss of DKK 40.876, and the balance sheet at 31 December 2016 shows equity of DKK 604.807.

Foundation Governance

The Board of the Foundation has considered the "Recommendations on Foundation Governance" prepared by the Committee on Foundation Governance and mentioned in the Financial Statements Act section 77a. The Foundation aims to comply with all recommendations which are relevant for the Foundation. In accordance with recommendation 2.3.4 and 2.4.1 the following can be reported about the member of the Board:

	Jacob Smed	Per Adam Christiansen	Niels Christian Wedell-Wedellsborg
Position	Managing Director	Business professional	Managing Director
Age	38	80	48
Sex	Male	Male	Male
Elected for the Board on	15 June 2015	1 July 2002	31 May 2016
Re-elected			
Election period expires			
Members special competences	Finance and law	Business background.	Law and finance
Other appointments	Various Board appointments.	Various Board appointments.	Various Board appointments.
Appointed by an authority	No	No	No
Member considered independent	No. Member of management of subsidiary.	No. Due to the 12-year rule.	Yes

The Foundation has paid DKK 15,000 as board fee.

Administration expenses for 2016 amounts to DKK 75.230 (DKK 69.808 for 2015)

Management's review

Distribution policy

The Foundation's distribution policy is in accordance with the Foundation's Articles of Association. The Foundation will distribute from its profit after deduction of administrative expenses. The board is entitled to allocate funds to retained earnings when considered reasonable to consolidate the Foundation. Such retained earnings may also be used to make investments in undertakings which may contribute to the advancement of the objectives of the Foundation. Distributions are discussed at least yearly.

Unusual matters

The Company's financial position at 31 December 2016 and the results of its operations for the financial year ended 31 December 2016 are not affected by any unusual matters.

Recognition and measurement uncertainties

The recognition and measurement of items in the financial statements is not subject to any uncertainty.

Significant events occurring after end of reporting period

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Income statement 1 January - 31 December

	<u>Note</u>	<u>2016</u> DKK	<u>2015</u> DKK
Other external expenses		-100.622	-86.311
Gross profit		-100.622	-86.311
Income from investments in subsidiaries	2	60.113	178.730
Financial income		20	12
Financial costs		-387	-407
Profit/loss before tax		-40.876	92.024
Tax on profit/loss for the year	3	0	0
Net profit/loss for the year		-40.876	92.024
 Distribution of profit			
Proposed dividend for the year		10.000	25.000
Distributions		0	25.000
Reserve for net revaluation under the equity method		-64.887	78.730
Retained earnings		14.011	-36.706
		-40.876	92.024

Balance sheet 31 December

	<u>Note</u>	<u>2016</u> DKK	<u>2015</u> DKK
Assets			
Investments in subsidiaries	4	445.808	510.695
Fixed asset investments		<u>445.808</u>	<u>510.695</u>
Fixed assets total		<u>445.808</u>	<u>510.695</u>
Receivables from affiliates		125.000	100.000
Receivables		<u>125.000</u>	<u>100.000</u>
Cash at bank and in hand		<u>48.494</u>	<u>59.952</u>
Current assets total		<u>173.494</u>	<u>159.952</u>
Assets total		<u><u>619.302</u></u>	<u><u>670.647</u></u>

Balance sheet 31 December

	<u>Note</u>	<u>2016</u> DKK	<u>2015</u> DKK
Liabilities and equity			
Share capital		400.000	400.000
Reserve for net revaluation under the equity method		155.108	219.995
Retained earnings		24.699	10.688
Provision for distribution		<u>25.000</u>	<u>25.000</u>
Equity	5	<u>604.807</u>	<u>655.683</u>
Trade payables		13.108	13.577
Corporation tax		<u>1.387</u>	<u>1.387</u>
Short-term debt		<u>14.495</u>	<u>14.964</u>
Debt total		<u>14.495</u>	<u>14.964</u>
Liabilities and equity total		<u>619.302</u>	<u>670.647</u>
Contingent assets, liabilities and other financial obligations	6		

Notes

	<u>2016</u> DKK	<u>2015</u> DKK
1 Staff costs		
Average number of employees	<u>0</u>	<u>0</u>
2 Income from investments in subsidiaries		
Share of profits of subsidiaries	<u>60.113</u>	<u>178.730</u>
	<u>60.113</u>	<u>178.730</u>
3 Tax on profit/loss for the year		
Current tax	<u>0</u>	<u>0</u>
4 Investments in subsidiaries		
Cost at 1 January 2016	<u>290.700</u>	<u>290.700</u>
Cost at 31 December 2016	<u>290.700</u>	<u>290.700</u>
Revaluations at 1 January 2016	219.995	141.265
Net profit/loss for the year	60.113	178.730
Dividend to the Parent Company	<u>-125.000</u>	<u>-100.000</u>
Revaluations at 31 December 2016	<u>155.108</u>	<u>219.995</u>
Carrying amount at 31 December 2016	<u>445.808</u>	<u>510.695</u>

Notes

5 Equity

	Share capital	Reserve for net revalua- tion under the equity method	Retained earnings	Provision for distribution	Total
Equity at 1 January 2016	400.000	219.995	10.688	25.000	655.683
Ordinary dividend paid	0	0	0	-10.000	-10.000
Net profit/loss for the year	0	-64.887	14.011	10.000	-40.876
Equity at 31 December 2016	400.000	155.108	24.699	25.000	604.807

The shares are not divided into share classes.

6 Contingent assets, liabilities and other financial obligations

The Company has not assumed any liabilities, in excess of the liabilities resulting from its ordinary business.

Accounting policies

The annual report of Den Internationale Sundhedsfond for 2016 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected provisions as regards larger entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2016 is presented in DKK.

Consolidated financial statements

In accordance with the Danish Company's Accounting Act, section 110, the Company has used the option not to prepare consolidated financial statements.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company's and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company's and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report are presented and which confirm or invalidate matters existing at the balance sheet date.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign-exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency transactions are considered cash flow hedges, the value adjustments are taken directly to equity.

Accounting policies

Income statement

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities and foreign currency transactions, amortisation of mortgage loans and surcharges and allowances under the advance-payment-of-tax scheme, etc.

Profit/loss from investments in subsidiaries

The proportionate share of the results after tax of the individual subsidiaries is recognised in the income statement of the company after full elimination of intra-group profits/losses.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, including changes arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to entries directly in equity.

Balance sheet

Investments in subsidiaries

Investments in subsidiaries are measured at the proportionate share of the net asset value of the entities, calculated on the basis of the group's accounting policies, less or plus unrealised intra-group gains or losses and plus or less any remaining value of positive or negative goodwill made up according to the purchase method.

Investments in subsidiaries and associates with a negative net asset value are measured at DKK 0, and the carrying amount of any receivables from these entities is reduced to the extent that they are considered irrecoverable. If the parent company has a legal or constructive obligation to cover a deficit that exceeds the receivable, the balance is recognised under provisions.

Net revaluations of investments in subsidiaries and associates are taken to the net revaluation reserve according to the equity method to the extent that the carrying amount exceeds the cost. Dividends from subsidiaries which are expected to be declared before the annual report of Den Internationale Sundhedsfond is adopted are not taken to the net revaluation reserve.

Receivables

Receivables are measured at amortised cost.

Accounting policies

Cash and cash equivalents

Cash consist of bank deposits and cash at bank and in hand.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss allowed for carry forward are measured at the value to which the asset is expected to be realised, either by elimination in tax on future income or by offsetting against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Liabilities

Liabilities are measured at amortised cost equal to nominal value.